

Human Resource Management in the Public Sector: An Investigation into the Iranian Ministries

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Abstract

The majority of human resource management (HRM) studies, to date, are devoted to the developed countries and there is still scarcity of research on the nuances of HRM in the developing countries. This paper looks deeper into and reviews the empirical nuances of HRM functions in the Iranian public sector. Using interviews in five Iranian ministries, key HRM features are extracted and explained in a thematic manner. To authenticate the findings, the complimentary secondary data and documents were also studied. Results indicated eleven common features for the HRM practices including: unstable and personalized structure, obsolete job descriptions, double-standard in employee recruitment, lack of systematic career management, general instead of specialized training programs, imbalance between pay and performance, misalignment between organizational strategy and HRM practices, pseudo-knowledge management, silo mentality in HR departments, nonconformity in HR systems and the challenge of non-competent employees. This study also demonstrates how HRM functions stem from and are influenced more generally by environmental characteristics and cultural values.

Keywords

Developing countries, Human resource management, Iranian state-owned organizations, Public sector.

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Introduction

Human resource management plays an important role particularly in contributing to democracy, transparency and meritocracy in public administration (Woodard, 2005). Public organization's performance, in particular, depends excessively on competencies of its human resources (Pynes, 2008). A number of characteristics make the public sector particularly distinctive and interesting with respect to human resource management. In the public sector, activities are by far regulated by the laws, regulations, and procedures; decisions are influenced by political and informal procedures; objectives are often multiple, vague, and politicized which, all in all, make their measurement specifically difficult (Baldwin & Farley, 2001); and last but not least, the employment process, specifically in the case of top managers, is based on appointment rather than election; and the organizational structure is often centralized (Bissessar, 2001).

The aforementioned issues in public organizations are even more dramatic, complicated and problematic in the developing countries. As Boxall (1994) noted, although the nature of human resource management (HRM) has been transmitted from the reactive, administrative state to the proactive and descriptive practices, but such transition is hardly observed in the developing economies. In this sense, some researchers believed that despite considerable studies in the field of HRM across the world, most of them are focused on the industrialized and developed societies and the unique challenges and nuanced specificities of HRM in developing countries have received inadequate research attention (Budhwar & Debrah, 2013; Ghebregiorgis & Karsten, 2007).

HRM in Iran has been studied by a few authors to date (Namazie & Frame, 2007; Tayeb, 2001; Yeganeh, 2007; Yeganeh & Su, 2008); however, the notable gap remains to be that most of them have been carried out by the authors living outside of Iran. Given that western management thoughts and practices in general and HRM in particular, they are better to be appropriated in light of developing countries' culture, contextual nuances and specificities (Aycan et al., 2000), this

paper aims to explore the contextual characteristics of HRM in the Iranian public organizations.

Despite several recent studies in the field of HRM, the context in which HRM is implemented is not researched sufficiently (Den Hertog et al., 2010). Furthermore, while the topics including strategic HRM or international HRM are hard to ignore, most of the studies are still devoted to general functions; whereas, the environmental factors are not considered sufficiently enough (Jackson & Schuler, 1995). This study corroborates with the ideas of macro-level similarities as well as cultural differences at the micro-level in governmental organizations (Namazie & Frame, 2007; Tayeb, 2001; Yeganeh, 2007; Yeganeh & Su, 2008).

Literature Review

Human Resource Management in Developing Countries

The majority of HRM studies have been conducted in the developed countries and there are still limited studies in this field in the context of developing countries (Yeganeh & Su, 2008). Budhwar and Debrah (2013) have carried out a specialized research and review on HRM in thirteen developing countries including China, South Korea, Taiwan, India, Nepal, Pakistan, Iran, Saudi Arabia, Algeria, Nigeria, Ghana, Kenya, and South Africa; this study, however, has hitherto remained among the few comprehensive explorations of the matter and, as discussed, lacks sufficient contextual and cultural understanding of the settings particularly in the case of Iran.

The term developing countries refers to the societies experiencing the process of industrialization and setting stage for economic development (Budhwar & Debrah, 2013; Napier, 1998). Some scholars believe in similarities and common denominators in terms of management styles and cultural features amongst the developing countries (Azolukwam & Perkins, 2009). Haque (1997), for instance and among others, believes that the culture of developing countries, by and large, is associated with certain values such as ethnicity, informal interaction, kinship and seniority-based authority. In this line, some

organizational theorists distinguish between particularistic and universalistic organizations.

Reviewing management dynamics in developing countries indicates that HRM practices in the developing societies have several characteristics in common (Budhwar & Debrah, 2004; Budhwar & Mellahi, 2006). With regard to recruitment and promotion, unlike meritocracies, certain criteria such as race, social class, language, belief system, ethnicity, gender, and loyalty to particular parties (and a mix thereof) are often given more emphasis (Haque, 1997). For example, in Bangladesh and Philippines, public organizations are said to be staffed with employees having strong family ties. Hence, kinship is the most important agent of recruitment and promotion (Brennan et al., 2008).

In the same vein, in Saudi Arabia and Egypt, expert power tends to be a less important criterion for selection and promotion of employees (Al-Mizjaji, 2001; Utaybi, 1992). The lack of clear criteria for appointment and promotion in Saudi Arabia, leads to some serious problems. As a consequence, nepotism has been an integral part of HR practices in this country (Budhwar & Mellahi, 2006; Utaybi, 1992). This problem is said to be the dilemma in South Africa (Beugré & Offodile, 2001) and India as well. In those countries, favoritism and assigning relatives to the work have become common to some extent (Dwivedi et al., 1989).

In Egypt, knowledge and competency does imply limited priority for appointment and selection of employees (Al-Mizjaji, 2001). Similarly, many organizations in Oman lack job descriptions and clear career paths. Regarding recruitment, kinship often plays a significant role (Budhwar & Mellahi, 2006). As another case, in Latin America, despite the HR systems' reformation, only few countries such as Brazil, Costa Rica, Argentina, Peru, Panama, Colombia, and Ecuador follow some features of recruiting with regard to employees' competency and the others are mostly at the mercy of other factors such as family ties (Haque, 1997).

In the case of performance appraisal, most of the developing countries are reportedly putting more emphasis on loyalty, trust and

friendship as the main criteria and managers, in particular, do not abide by formal and impersonal procedures (Haque, 1997). Similarly, in some cases, performance records were not kept well and the criteria for rewarding are not communicated to the employees clearly enough. Therefore, rewarding can be based on subjective criteria rather than competency as such (Pearce et al., 2000). Similarly, compensation systems in Saudi Arabia fails to instill employees (Al-Mizjaji, 2001) and, in India, pay increases are said to be based on seniority rather than competency (Budhwar, 2000). In the same vein, in Egypt, salaries are mostly paid with regard to subjective job evaluations rather than skills and performance per se (Leat & El-Kot, 2007).

With respect to training and development, most of the training programs are often mere imitations of western programs instead of being tailored in accordance with employees' needs (Haque, 1997). For example, in South Africa as well as Saudi Arabia, training programs are not need-based and, in many cases, public organizations confront with insufficient budgets for training. Thus, most of the training programs are tailored and implemented for specific and limited number of higher-tier employees and managers (Al-Mizjaji, 2001; Budhwar, 2000; Ghebregiorgis & Karsten, 2007). Similarly, in India, inadequate emphasis on training and development accompanied by lack of financial resources for training programs has reportedly led to poor training systems (Budhwar, 2000).

It is reported that in the great majority of developing countries, recruiting, rewarding and promotion of employees are fundamentally influenced by the relationship with and loyalty to top managers. Thus, the necessity of designing efficient, merit-based and professional HR systems is highly called for (Namazie, 2003; Namazie & Tayeb, 2006).

Previous Studies on Human Resource Management in Iran

Iran has a critical role in the middle-east economy with the second highest gross domestic production (GDP) after Saudi Arabia and second population after Egypt. The service sector contributes to more than half of Iran's GDP (World Bank, 2015). Iranian public

organizations, state-owned or semi-state-owned, entail large-scale industries and constitute more than 80% of gross domestic production. The history of Iranian public service dates back to about a century. Despite several transitions in the Iranian public service during its history, it has not been transformed fundamentally and many organizational manifestations are rooted in the history of state management in general. The building blocks of Iranian public service were mainly reproduced during the reign of the Qajar (more than 100 years ago) based on the dominant patterns of developed countries, such as France, with undue consideration of an adaptation to the cultural requirements of the society (Saboori, 2009).

In contrast to the western countries whereby an emphasis is put on adequate prerequisites, undue preparation of the institutional structures in Iran has led to the reproduction of traditional structures in newly fabricated public service. Moreover, in the absence of strong private and nonprofit sectors, the public sector remains to define the mainstream. In spite of several efforts made by different governments during a century to improve the structure of Iranian public sector, the classic shortcomings are still apparent; these are mainly inclusive of, but not limited to, surplus labor, politicized structures, discourse of power, and low levels of efficiency, effectiveness and productivity.

As discussed, while HRM in Iran has been the subject of research in the past and scrutinized by some authors (Namazie & Frame, 2007; Namazie & Tayeb, 2006; Tayeb, 2001; Yeganeh, 2007; Yeganeh & Su, 2008), the main limitation, however, still remains to be that most of these studies are by far carried out by the authors who are living outside of Iran. Thus, an exploration from *within* the context is promising to enhance our understanding of the subject matter. This paper aims to contribute to this gap by exploring HRM from within the context of Iran.

According to previous studies, Iranian managers typically tend to prioritize and employ their relatives and personal associates (Yeganeh & Su, 2008). In this sense, subjective judgments play a more colorful role than merit-based systems in the selection, promotion and appraisal decisions (Namazie & Frame, 2007; Yeganeh & Su, 2008).

Additionally, the relationship between pay and performance is not transparent and adequately substantiated (Yeganeh & Su, 2008); training programs are not tailored properly, and in the process of planning for HR systems, the viewpoints of employees remain by large unheard (Yeganeh, 2007).

Summary of the most common characteristics of HR practices in developing countries is indicated in Table 1.

Table 1. Most common characteristic of HR practices in developing countries

HR practice	Country	Characteristics
Recruitment	Bangladesh and Philippines (Brennan et al., 2008); Oman (Budhwar & Mellahi, 2006); Saudi Arabia and Egypt (Al-Mizjaji, 2001; Utaybi, 1992); Iran (Yeganeh & Su, 2008); Management and Planning Organization of Iran as well as the World Bank	<ul style="list-style-type: none"> - Kinship as the most important agent of recruitment - Recruitment of relatives and personal associates - Ignoring expert power as a criterion for selection
Promotion	Bangladesh and Philippines (Brennan et al., 2008); Saudi Arabia (Al-Mizjaji, 2001; Budhwar & Mellahi, 2006; Utaybi, 1992); Egypt (Al-Mizjaji, 2001; Utaybi, 1992); South Africa (Beugré & Offodile, 2001); India (Dwivedi et al., 1989); Oman (Budhwar & Mellahi, 2006); Iran (Namazie & Frame, 2007; Yeganeh & Su, 2008)	<ul style="list-style-type: none"> - Nepotism and favoritism - Lack of merit-based systems - Lack of clear criteria for promotion - Lack of certain career paths
Performance appraisal	Most of the developing countries (Haque, 1997; Namazie & Frame, 2007; Yeganeh & Su, 2008)	<ul style="list-style-type: none"> - Loyalty, trust and friendship as the main criteria of performance appraisal - Appraising based on subjective judgments
Compensation	Saudi Arabia (Al-Mizjaji, 2001); India (Budhwar, 2000); Egypt (Leat & El-Kot, 2007); Iran (Yeganeh & Su, 2008); Management and Planning Organization of Iran as well as the World Bank	<ul style="list-style-type: none"> - Rewarding based on subjective criteria rather than competency - Pay increases based on seniority rather than competency - Lack of transparency between pay and performance
Training and development	South Africa and Saudi Arabia (Al-Mizjaji, 2001; Budhwar, 2000; Ghebregiorgis & Karsten, 2007); India (Budhwar, 2000); Iran (Yeganeh, 2007); Management and Planning Organization of Iran as well as the World Bank	<ul style="list-style-type: none"> - Imitations of western training programs - Insufficient budgets for training - Poor training systems

In spite of several commonalities in management practices across the developing countries, the differences are hard to ignore mainly because of cultural values (Budhwar & Mellahi, 2006). Whereas in the developed countries, HRM is considered as a strategic function contributing to achieve competitive advantages, in the developing countries including Iran, undue organizational attention is ascribed to HRM on a practical grounding (Namazie, 2003). Better said, HRM is usually downgraded to an organizational function in the form of personnel management practices (Budhwar & Debrah, 2013). In reviewing the shortcomings, this paper aims to explore HRM in the context of Iranian public organizations and extract the overarching themes which drive practice.

Moreover, to date, many researchers have pointed out the impact and importance of social context in the construction of management practices including HRM (Boxall, 1994; Budhwar & Debrah, 2013). The significance of societal context in HRM studies is highlighted and contrasted by several research streams and debates, namely in *contextual* versus *universalistic* approaches (Martín-Alcázar et al., 2005), divergence versus convergence views (Hickson & Pugh, 2001; Hofstede & Hofstede, 2001), Cranet network research (Brewster et al., 2004) and the GLOBE project (House et al., 2004). According to the mentioned approaches, different environmental factors can enable or hinder the development of HRM practices. As Mcgaughey and Cieri (1999) note, macro-level variables create an environment whereby organizations tend to become, in several ways, similar; dissimilarities and differential nuances accrue at micro-level organizational culture (Namazie & Frame, 2007; Tayeb, 2001; Yeganeh, 2007; Yeganeh & Su, 2008). Regarding the aforementioned discussions, this study aims to study HRM practices in the social/cultural context of Iran.

Methodology

In researching HRM themes, some organizational studies carried out in the field of public organization's structure and systems have relied heavily on secondary data and official employment documents such as organizational chart, personnel management files, and job

descriptions. Others have used sample surveys or interviews. Survey data and quantitative approaches in this terrain, however, may not reflect the nuances and underpinning assumptions that reflect in HRM practices. In other words, quantitative approaches risk shallow understanding of people and by using questionnaires only, the investigations are restricted to the attitudes of the available people (Yeager, 2008). Investigation of documents has the advantage of getting clear information about the organization that may not be revealed by questionnaires or interviews. This study adopts qualitative approach and case study strategy. To collect required data semi-structured interviews were conducted by senior managers. Besides, with the aim of authenticating the findings of the interviews, the complimentary and relevant secondary data in the form of documents were also studied. For this purpose, available official records and documents such as organizational chart, personnel files, job descriptions, performance appraisals, and training needs assessment forms were reviewed.

The present study differs from the previous studies conducted in Iranian organizations in some ways; in contrast to the study carried out by Yeganeh and Su (2008) using questionnaires distributed in public organizations, this study is carried out by conducting interviews and the use of archival data. In the same manner, while the study of Namazie and Frame (2007) was conducted in both public and private sectors and by the use of interviews, the scope of the present research is limited to the public sector with the aim to enhance the depth of analysis.

Participants

The population of this study was HR managers working at Iranian ministries. According to “civil service management law”, Iranian ministries are classified into five groups: (1) governmental affairs, (2) social/cultural affairs, (3) service affairs, (4) infrastructure affairs, and (5) economic affairs. Regarding the practical impossibility of considering all Iranian public organizations in this study, we restricted our research to five ministries given that these cases are characterized

heavily by typical state-owned organizations as referred to in this paper. So, the authors tried to select the sample from all of these five groups. Due to the confidentiality, selected ministries remained anonymous. Unstructured interviews with 55 HR managers in different ministries were conducted. 18% of respondents were from Ministry 1 (governmental affairs), 22% from Ministry 2 (social/cultural affairs), 20% from Ministry 3 (service affairs), 19% from Ministry 4 (infrastructure affairs), and 21% were from Ministry 5 (economic affairs). Moreover, 40% of respondents were senior managers, 46% were middle managers and 24% were supervisors.

Demographic characteristics of participants are indicated in Table 2.

Table 2. Demographic characteristics of participants

	N
Organizational level	
Senior manager	22
Middle manager	20
Supervisor	13
Gender	
Male	47
Female	8
Age	
30-39	17
40-49	25
50 and above	13
Level of education	
Bachelor degree	36
Master's degree or PhD	19

The interview guidelines and questions are developed based on the previous studies (Budhwar & Sparrow, 2002; Leat & El-Kot, 2007) as well as the opinions of university professors and HR experts. Each interview took approximately one hour. Furthermore, whenever interviewees claimed the existence of criteria for performance appraisal, reward, promotion and so forth, they were asked to represent a sample of written criteria for each case which later helped the authors to authenticate the findings by studying the relevant secondary data. We developed a coding system to present findings of the interviews in which the first letter refers to the managerial level (S

for senior managers, M for middle managers and s for supervisors), the second one shows organization number (1-5), and the third one refers to the managerial level number. For instance, M23 refers to the third middle manager in the second organization.

Findings

The data were thematically analyzed in order to determine the key themes of HRM practices in Iran. The interviewees' responses were written and imported to MAXQDA 10 software. At the first level, the keywords (ideas) were focused, at the second level, codes were determined and at the third level, themes were extracted.

There are two approaches regarding thematic analysis, the first one is an inductive or *bottom-up* approach, and the second one is a theoretical/ deductive or *top-down* approach. Regarding the predetermined conceptual framework and questions of this study, the deductive approach was adapted (Braun & Clarke, 2006). Moreover, with regard to the simplicity of the concepts of HRM field, there was no need to extract subthemes, meaning that just main themes were focused.

To increase the reliability of the study, the coding process was carried out by two of the researchers, each of whom read all the sentences and assigned codes regarding the interview questions and conceptual framework of the study. Then, the assigned codes by each of the researchers were compared to extract the final main codes. To show the reliability of the thematic analysis, Cohen's kappa coefficient index was calculated. The calculated index, 79%, which is higher than 70%, ensured the reliability of the coding process. Moreover, to authenticate and enhance the verisimilitude of the results of this study, the findings were emailed back to the interviewees and the complementary viewpoints were received, analyzed and added to the results.

According to the results of the coding process and the analysis of secondary documents, eleven main themes were extracted. These themes are categorized as: (1) Unstable and personalized structures, (2) obsolete job descriptions, (3) double-standard in employee

recruitment, (4) lack of systematic career management, (5) general instead of specialized training programs, (6) imbalance between pay and performance, (7) misalignment between organizational strategy and HRM practices, (8) pseudo-knowledge management, (9) the silo mentality in HR departments, (10) nonconformity in HR systems among different ministries, and (11) competent versus non-competent employees.

The process of the themes extraction is indicated in Table 3.

Table 3. Themes extracted from the interviews

Themes	Codes	Words (Ideas)
1. Unstable and personalized structures	Frequent changes of organizational structure	Change Organizational chart Uncertainty
	Unclear role definitions	Roles Vague
	Role overlaps	Overlaps Unclear
	Wrong positions	Positions Invalid Inappropriate
2. Obsolete job descriptions	Unclear job descriptions	Jobs Job analysis Description
	Vague tasks	Unclear Undetermined Confused
	Irrelevant and outdated tasks	Obsolete Outdated
	Unawareness of the existence of job descriptions	Unawareness Misinform Current descriptions
3. Double-standard in employee recruitment	Unclear criteria	Criteria Standards Indefinite
	Subjective assessments	Abstract Not objective Judgments
4. Lack of systematic career management	Politicized grouping	Politicized Bias
	Criteria other than competency	Competency Loyalty Friendship Relationship

Continue Table 3. Themes extracted from the interviews

Themes	Codes	Words (Ideas)
5. General instead of specialized training programs	Unclear training standards	Training Not standard
	Ignorance of training needs of employees	Training needs Need assessment
	General training programs	General training Specialized training
6. Imbalance between pay and performance	Pay increments based on seniority	Pay Compensation Seniority
	Appraisals based on managerial judgments	Performance appraisal Judgment
	Subjective and unclear criteria	Performance criteria Subjective
7. Misalignment between organizational strategy and HRM practices	One-way linkage between organizational and HRM strategies.	Organizational strategy HRM strategy
	Unawareness of organizational strategy	Announcement Cascading Communicating Awareness
8. Pseudo-knowledge management	Unclear procedures for knowledge management	Knowledge Knowledge management Documentation Undetermined
	Pseudo-knowledge sharing	Pseudo Superficial Knowledge sharing
9. The silo mentality in HR departments	Autonomous islands	Islands Silo Fragmented
	Unclear integration among the departments	Integration Isolated Misalignment
10. Nonconformity in HR systems among different ministries	Considerable differences in HR practices	Difference Contradiction Nonconformity
	Several divergences	Divergence Contrast
11. Competent versus non-competent employees	The complicated mix of competent and non-competent employees	Competent Non-competent Qualified Non-qualified
	Meritocracy versus nepotism	Competency based Favoritism

Figure 1 indicates the main features of HRM in Iranian public organizations. In the remainder of the paper, these themes are explicated.

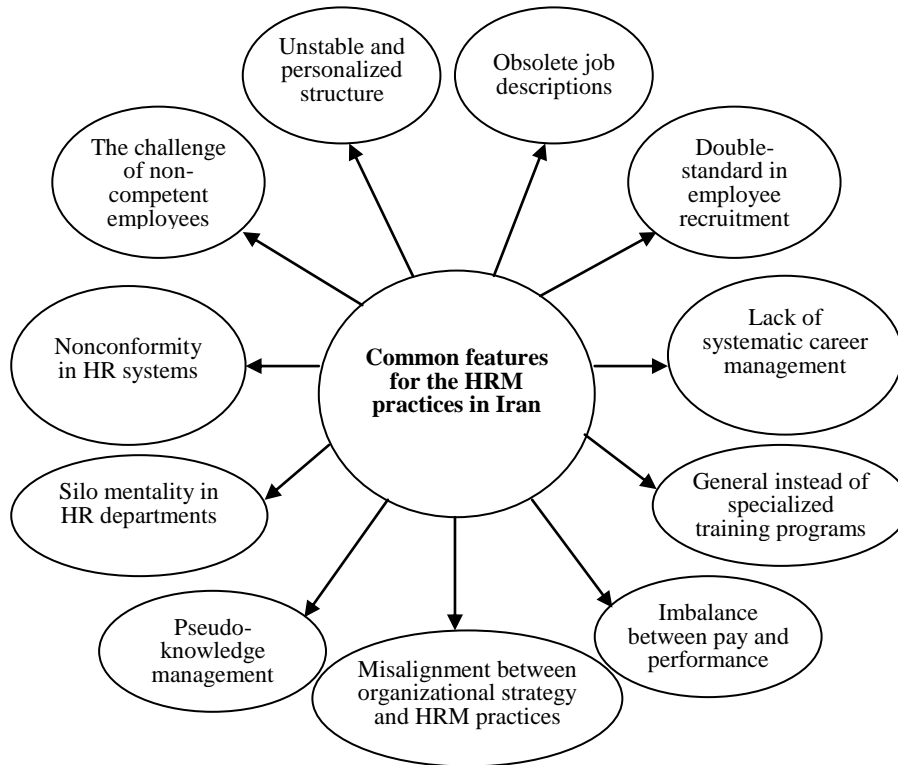


Fig. 1. Common features for the HRM practices in Iran

Unstable and personalized structure

The structure of the Iranian public organizations is said to be personalized largely according to the subjective preferences of the highest-level authority that is the minister. With the change of the minister, therefore, organizational structure and middle management change accordingly to a large scale. At times, approval of the final organizational chart takes several months and, to that effect, many processes depending upon the organizational chart can be postponed respectively. Although a role is defined for each employee in the meantime, unclear and fuzzy role definitions lead to several overlaps

and clashes among employees. Some employees do not have defined positions and some others are placed in the wrong jobs. As S24 comments:

One of the fundamental challenges in our ministry is the frequent changes of organizational structure. Obviously, with the change of the structure some new positions are defined, some managers change, and new offices, the tasks of which are not certain enough, are established. There are some vacancies and changing structure is forming new spurious positions; employees seem to have new job titles but are still doing their previous job tasks. Even now, our final chart is not clear.

The results of examining the organizational chart as well as the existing job descriptions were congruent with the findings of interviews. Accordingly, the organizational chart in some of the studied organizations was not finalized for more than a year and, in others, the chart had been drastically changed and caused internal tension and surprise.

Obsolete job descriptions

Most of the current job descriptions are obsolete or inconsistent with employee's current tasks. In some of the public organizations studied, job descriptions are developed 10 or 15 years ago and they have not been revised ever since. Hence, some employees, particularly those who are highly educated and freshly graduated, find their tasks irrelevant, outdated, routine, uninspiring, and unchallenging which, all in all, only lead to increased dissatisfaction with the jobs at hand. As s35 remarked:

Our ministry has a long history and the employee's job descriptions are old and outdated. Still, many employees are not even aware of these old job descriptions. However, HR department are going to revise job descriptions to determine knowledge, skills, and abilities needed for the jobs.

Reviewing the current job analysis process in the studied public organizations also corroborated the obsolescence of job descriptions. Not surprisingly, some of the senior employees working in these organizations are unaware of the existence of job descriptions. The significance of job descriptions and job specifications was not articulated and emphasized in Iranian public organizations.

Double-standard in employee recruitment

Another significant theme in the interviews surfaced on the selection and recruitment processes and criteria. Employees appeared to suffer a lot witnessing double standards and lack of transparency on the criteria for selecting employees. Recruitment processes are largely biased and diverged during the post-examination interviews. Criteria other than competency, close relationships with top managers, loyalty to a particular political party or belief system, to name some, were said to define the recruitment of employees in the public organizations studied. As M51 commented:

In our ministry, like others, recruitment and selection process is based on paper and pencil tests and interviews. But some employees, especially those in high positions, are employed with regard to the criteria other than competency. As a result, motivation of other competent employees may decrease. Here, most of senior managers are assigned from outside the ministry. This may result in disappointment of those employees who hope to promote to higher positions.

Reviewing organizational documents also revealed that, in the studied ministries, there are hardly adequate written and clear criteria for employee recruitment and selection. While non-managerial and support staffs are selected based on paper and pencil exams, managerial and higher level positions are assigned arbitrarily. It was evident, also, in employee accounts that essential analytics, expertise and knowledge-works are carried out mainly by the lower tier of employees who had undergone strict exams, are privileged with strong educational resumes and passed objective quality assessments at the time of recruitment.

Lack of systematic career management

One of the major deficiencies in Iranian public organizations is reportedly related to the promotion processes and criteria. While lower tiers of employees had to undergo strict and objective examinations, medium to high-level managers are, by large, said to be promoted on the basis of subjective assessments, politicized groupings and loyalty to their seniors. This is despite that, on paper, senior managers are supposed to be promoted based on stricter and predefined scoring and reward mechanisms.

Promotions in the studied public sectors are not specifically designed in an integrative plan aimed for succession; instead, it appears to be utilized as a mode and medium of control rather than growth. In this sense, some managers with a high inspiration to design effective succession planning are discouraged mainly by witnessing and fore sighting what is happening in practice. As s44 said:

In this ministry, there is hardly a clear mechanism or specific program for promoting employees. Loyalty to superiors is one of the most fundamental factors influencing promotions. Meritocracy and succession planning remain just a slogan and, in practice, they are meaningless.

The results of analyzing organizational documents indicated hardly any clear criteria for promotion. Even in the cases where succession planning has been developed, in practice, the interests of managers still play a more important role in promoting employees rather than formulated criteria and planning.

General instead of specialized training programs

According to the interviews, in some of the examined ministries, there are hardly any specific training standards formulated. Better said, training programs are not adequately tailored to the needs of employees and, in most cases, were developed as per the opinions of top managers with undue employee feedback and engagement. Additionally, it appeared that most of the training programs are general rather than professional or technical. Also, training programs are often held during work hours and, therefore, employees face difficulty to free their time in the midst of heavy workloads to attend the trainings. As S32pointed out:

In this ministry, need assessment is on the basis of managers' opinions. It means that employees and their managers have been asked to determine the required training programs. Training programs have not generally tailored regarding required KSAs and competencies for the work.

Regarding the current documents, the finding of this study surfaced the lack of specific procedures for planning integrative training programs. While many forms and standards have been formulated for training programs, in practice, the training programs remain as the sheer reflection of top managers' opinions. Furthermore, measuring the effectiveness of training programs is by far limited to the learners'

reaction and learning and their behavioral changes upon learning and the empirical effectiveness of trainings for the organization are not duly examined.

Imbalance between pay and performance

The results of this study indicated a stark perceived imbalance between pay and performance in employees' viewpoints. Although some performance appraisal forms are in place, in practices, however, performance management process is largely guided by top management's subjective judgments. The importance ascribed to subjective judgments in appraising employees led to the feeling of dissatisfaction by several employees. In this regard, M12 commented:

In this ministry, performance management system confronts with serious deficiencies. Performance appraisals are mostly guided by managerial judgments rather than predetermined criteria. Even in the cases that specific criteria have been defined for appraising performance, in practice, the judgment of managers plays more important role than predetermined criteria.

Reviewing the related performance appraisal documents also indicated that, in most of the Iranian public organizations, Graphic Rating Scale is used by and large as a framework for performance appraisals; however, a scientific approach in devising and utilizing the existing measures for evaluating employee's performance is lacking.

This study also showed several deficiencies in the compensation system altogether. Seniority and work time remain to be the two most important criteria in defining pay increments and the relationship between pay and performance is not adequately evaluated. Compensation system in public organization hardly puts emphasis on the role of motivators. Therefore, most of the employees are not satisfied with their payments. As S22 said:

In this ministry, the payment system is based on job evaluation and the characteristics, skills and performance of the employees are not raised. Most of the employees are dissatisfied with their payments and despite the significant role of well developed incentives to instill employees, our compensation system cannot perform as a motivator.

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Misalignment between organizational strategy and HRM practices

The results of this study showed a considerable misalignment between the strategy of the studied public organizations and the HRM practices. According to the viewpoints of some of the managers, organizational strategy does not communicate to the different departments including HR and, to that effect, many processes are still heavily dependent upon the organizational strategy which can be misdirected. Many departments are not even aware of the organizational strategy. In this regard, M44 commented:

In our ministry there is typically a one-way linkage between organizational and HR strategies. It means that the strategy of the ministry is announced to the departments regardless of asking for their viewpoints. As far as I know, even in some of the other ministries, departments are not aware of the organizational strategy.

Reviewing the documents of the organizational and HRM strategies also indicated that, in most of the ministries, a systematic approach in formulating HR strategy is lacking. Moreover, there is not a clear procedure for cascading the organizational strategy and aligning HR strategy and organizational one as well.

Pseudo-knowledge management

The analysis of the Iranian public organizations showed a considerable absence of infrastructure and procedures for knowledge management, in each of the forms of sharing, maintaining or documenting knowledge. There is hardly any systematic procedure in place, particularly focused on maintaining, documenting, utilizing and/or sharing organizational experiences and knowledge. A great majority of the Iranian public organizations are, instead, engaging in pseudo-knowledge sharing. In most of the cases studied, knowledge sharing is merely a blind imitation guided by managerial fad. As M45 noted:

In our ministry, knowledge sharing is not important enough. However, the role of managers in this regard is vital, in that, competent managers putting emphasis on the knowledge sharing try to promote knowledge sharing behavior among their employees; but there is hardly a specific system for

knowledge management. Some of the efforts made by managers to manage knowledge are restricted to the library reports.

In the same vein, analyzing the archival data indicated that there are hardly any defined procedures for documenting and sharing knowledge. While some of the self-motivated managers have developed and regulated primitive initiatives to share knowledge in their department, a comprehensive and prevalent system supporting knowledge management is hard to find in the studied organizations.

Silo mentality in HR departments

One of the most fundamental characteristics of HR department of the studied Iranian public organizations in particular, as well as the other departments, in general, was reported to be the *silo* mentality. Even in the departments whereby the inter-disciplinary organizational functions are well defined, the HR department operates by far like an *autonomous island* and there is hardly any clear integration among the departments. This is while alignment among HR actions, across the various departments, has a vital role in the overall performance. Iranian public organizations suffer significantly from misalignment in HR actions. As s31 commented:

In our organization HR functions operate like islands and the link between different functions has not been considered significantly. For example, training programs are hardly designed regarding the results of performance appraisals. Similarly, selection interviews are not carried out with regard to the outputs of job analysis.

Reviewing documents also showed that standards formulated for a typical HR practice are barely linked to the other practices.

Nonconformity in HR systems among different ministries

Analysis of interviews as well as document analysis showed that there are considerable differences in HR practices among different Iranian public organizations. While the majority of studied organizations reportedly suffer from several difficulties in HR functions, a small number of ministries were generally satisfied with the achievements of HR practices; they are said to have developed and implemented systematic HR systems with the help of their HR specialists as well as external HR consultants. In this regard, S52 said:

In contrast to many other Iranian public organizations, the poor performance in their HR practices has caused several problems; in our organization, HR department conforms to specific rules and, in so doing, has achieved high performance. Our HR department follows certain procedures with respect to benchmarking as well as local needs.

Competent versus non-competent employees

The last characteristics of the human resource management in the Iranian public sector emphasized by a great majority of the interviewees, is the complicated mix of several highly competent employees working in the same position or level of the other non-competent ones. As mentioned before, several managers and employees of Iranian public organizations are professional and have been employed based on merits; however, their motivation appeared to decrease over time as a result of working, associating and being compared with other incompetent managers and employees who are believed to be recruited on the basis of relations. As s41 noted:

I am working for a manager whose education and work-related experience is lower than mine, as well as some of the others. Many of my suggestions to improve HR systems are rejected by my manger and I do not know whether to stay in this organization or leave.

Reviewing the personnel document also showed that while some of the employees have been hired and promoted on the basis of merit, the others have been employed regardless of job specifications.

Discussion: HRM practices and the Role of Culture

A significant stream of recent studies have focused on external environments in which organizations are embedded and the mutual implications with internal organizational functions and structures (Marsden et al., 1994; Scott, 1995). According to some researchers, HRM, as well as other managerial practices, is conceptualized and implemented in different manners across the world (Morley, 2004). The impact of environmental factors on HRM practices has been studied from different approaches including contextual HRM, international HRM, strategic HRM and *intuitionism*. While each of these approaches focus on various issues, the emphasize, is by far, put

on the impact of social, economical and political factors on the HRM functions (Schultz, 1997).

For instance, relying too heavily on the political factors to achieve the objectives as interpreted *politicization* is one of the main shortcomings of developing countries including Iran (Riggs, 1964). In the same vein, the weak relationship between compensation policies and productivity in most of the Iranian public organizations reportedly stems from heavy reliance on the oil reserves and ignorance of the domestic production capabilities (Namazie & Frame, 2007).

As mentioned before and according to several authors, contextual factors influence considerably the evolution of HRM practices in different societies among which, cultural/social factor has been highlighted by the great majority of academics as well as practitioners as the most inclusive one influencing other environmental factors (Leat & El-Kot, 2007; Hofstede, 1993).

The Iranian national culture is characterized and distinguished by several traits. Many researchers such as Gable (1959), Katouzian (1995), Hofstede and Hofstede (2001), Keddie and Matthee (2002), Javidan and Dastmalchian (2003), Bar (2004), and Yeganeh and Su (2008) have cited different traits for the Iranian culture. For example, analyses conducted by GLOBE researchers revealed that the Iranian culture is characterized, by and large, with strong family ties, interpersonal relationships, in-group orientation, a high degree of individualism, and low degree of societal collectivism; Iranians also bestow excessive privilege on those in power positions and demonstrate limited disagreement; rules and regulations are not followed seriously and are devised largely in accordance with different interest groups; they have strong orientations toward individual performance and short term activities.

Nevertheless, Iranians honor themselves for knowledge and rationalism (Bar, 2004); they value responsibility and dispraise favoritism (Gable, 1959). In this regard, the hierarchal structure of compensation system, difference between rewards for top managers and other employees, and excessive emphasis on education, as

surfaced in this study, may be attributed to the high degree of power distance in the Iranian settings.

Similarly, considering superiority as the most important criterion for promoting employees can be caused by Iranian cultural values appreciating experienced and elderly individuals (Yeganeh & Su, 2008). In the same vein, recruiting relatives and friends can be attributed to strong family ties and orientations among Iranian people (Javidan & Dastmalchian, 2003).

The preference for higher fixed pay can be attributed to the high uncertainty avoidance index among Iranians as noted by Hofstede and Hofstede (2001). Negative feedback avoidance in performance appraisals can be ascribed to the significance of impersonal relationship among Iranians, as well (Yeganeh & Su, 2008).

Conclusion and Managerial Implications

Recent advancements and improvements in HRM systems across the developing countries connote yet again the significant role of HRM as a strategic means to improve organizational performance (Condrey & Ledvinka, 2010). This study mainly aims to provide an updated investigation into the current HRM practices in the Iranian public organizations. The mutual implications of HRM practices and national culture have been illustrated. In line with the findings of Yeganeh and Su (2008), this research further indicates how HRM in Iran has similarities with HRM in other developing countries. This research, however, surfaced some hard-to-ignore and distinctive features of HRM which have not been addressed by the previous researches. It also supports Budhwar and Mellahi (2006), which pointed out that despite a host of similarities in managerial practices across the developing countries, there are noticeable varieties among these societies which mainly stem from culture.

As discussed before, this study indicates eleven main features for HRM practices in Iranian public organizations. While some of these features including unstable and personalized structures, obsolete job descriptions, double-standard in employee recruitment, lack of

systematic career management, general instead of specialized training programs, imbalance between pay and performance and misalignment between organizational strategy and HRM practices have been to some extent pointed out by the previous studies, some of the others including pseudo-knowledge management, the silo mentality in HR departments, nonconformity in HR systems among different ministries, competent versus non-competent employees have not been raised and researched to date.

A considerable number of researchers have challenged the idea of applying managerial thoughts deducted from the context of developed countries in the developing ones (Adler, 1991; Hofstede, 1980), others believe that there are some features in the western managerial theories that can be deployed in the developing countries (Ghebreorgis & Karsten, 2006). While adopting such methods and theories, however, the contextual nuances and cultural specificities of the developing countries should be considered.

This study particularly calls for a reformation in HRM practice in the Iranian public organizations. In so doing, HR practitioners and managers can consider the following lessons learned during this study. First, given that several critical issues in Iranian public organizations stem from the instability of organizational structure, the main roles, tasks and specifications of each job need to be defined clearly enough in order to prevent much of duplications, uncertainties, and tensions. Second, each of the recruitment, promotion, training, evaluation, and compensation systems is more likely to be efficient and successful if tailored in light of the very specificities, complexities and competencies of the jobs. Third, in order to increase employees' satisfaction, to name but one of the significant implications, the link between pay and performance should be thoroughly examined and scrutinized. It should also be noted that designing clear performance management and compensations systems with undue practicability, will only leave the organization with inefficient and superficial yet another management fads. And last, but not least, regarding the high frequency and political managerial transitions and changes in the Iranian public organizations, there is a significant need for clear

definitions and documented procedures for practices at all managerial and hierarchical levels.

Limitations and Future Orientations

This study was carried out with a number of limitations and has created more questions than answers which can be the subject of further research. As noted in the beginning of this paper, several factors may impact HRM practices in Iran, political, economic and social, to name a few. This study was carried out mainly in view of the interaction between HRM practices and culture. Hence, the investigation of the mutual implications of other environmental factors is suggested by this study for future researches.

The ministries researched for the purpose of this paper were chosen mainly on the basis of secured access. This made the sample of this study somewhat random and, all in all, less efficient organizations comprised the data pool of this research. While environmental factors such as culture have significant roles in the current practices of the HRM in Iran, there are some organizations whereby HRM practices are (more) efficiently performed which are worthy to be investigated and followed, in terms of practice, by other less efficient ministries. Investigation of the organizations with more successful HRM departments could be the subject of research to extract best practices.

In the literature, the research findings across the developing countries, including Iran, have been compared. This study was carried out in only one country. Future researchers are suggested to conduct a comparative empirical research as a cross selection of developing countries. In this line, exploring the practical solutions into successful implementation of HRM systems in each of the countries, the similarities and differences in the HRM practices across different societies, the influence of environmental factors and the applicability of western HRM systems for non-western settings, as suggested by Budhwar and Debrah (2001), promise to provide enlightening results.

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